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HOUSE AND SENATE PASS O'MALLEY-BROWN ADMINISTRATION'S HEALTH BENEFIT EXCHANGE LEGISLATION

ANNAPOLIS, Md. (March 26, 2012) – Today, the Maryland General Assembly gave initial approval to the O'Malley-Brown Administration's Health Benefit Exchange Act of 2012 (SB 238/HB 443), legislation championed by Lt. Governor Anthony G. Brown to continue the State's efforts to implement Maryland's Health Benefit Exchange, a marketplace where individuals and small businesses can do one-stop comparison shopping for high quality, affordable health coverage from private insurers and determine eligibility for Medicaid and federal tax credits.

Under the federal Affordable Care Act, Maryland's Health Benefit Exchange must become operational in fall 2013 for coverage beginning January 1, 2014. The Maryland Senate passed the bill by a vote of 35-12 this evening while the House of Delegates passed matching legislation by a vote of 94-44 earlier this afternoon. Once each bill crosses over and is approved by the opposite chamber, the legislation will be finalized and sent to the Governor for his signature.

"Maryland's Health Benefit Exchange is the most critical component of our efforts to reduce costs, expand access, and improve the quality of care for Maryland families, individuals and small businesses," said Lt. Governor Brown. **"The Exchange will provide a transparent marketplace where individuals and small businesses can compare rates, benefits and quality among private insurance plans to find one that best suits their needs. We've worked closely with stakeholders to build consensus and ensure that Maryland's Exchange reflects the specific needs and advantages of our State. I congratulate the Senate and House of Delegates for passing this legislation and standing up for the health and wellbeing of all Marylanders."**

"It is great to see how Maryland has come together to support an effective health benefit exchange," said Dr. Joshua M. Sharfstein, Secretary of the Department of Health and Mental Hygiene. **"We are on the road to a health care solution that works for Maryland."**

Maryland's Health Benefit Exchange is being established using no State funds due to \$34.4 million in Federal grants that Maryland has received to plan and build the Exchange, including a \$27.2 million Exchange Establishment grant and a \$6.2 million innovator grant given to six states leading the way on reform implementation.

"The State has taken positive steps to move forward with the implementation of the Maryland Health Benefit Exchange and ensure access to affordable health insurance for all Marylanders," said Rebecca Pearce, Executive Director of Maryland's Health Benefit Exchange. **"We are grateful to all of the stakeholders who have participated in the process."**



Following [2011 legislation, led by Lt. Governor Brown, creating the framework for the exchange](#), the Maryland Health Benefit Exchange Board worked with a broad range of experts and stakeholders to develop a series of policy recommendations. These included four advisory committees with stakeholders from the health insurance industry; health care providers and associations; community members, advocates, community-based organizations; academia; business owners; unions; local government officials; and consultants.

Based on the recommendations established through this open and collaborative process, the Health Benefit Exchange Act of 2012 puts in place many of the policies that will guide the Exchange's operations, including outlining the types of health and dental plans that can be offered in the Exchange; allowing the Exchange to use active purchasing strategies after the first two years to further reduce costs and enhance the quality of plans offered; operating individual and small business markets separately; establishing "Navigator Programs" to provide outreach and assistance to consumers; and addressing other key issues such as risk adjustment, market rules, and the prevention of fraud, waste and abuse.

Lt. Governor Brown leads the O'Malley-Brown Administration's health care portfolio. Under the leadership of Governor O'Malley and Lt. Governor Brown, Maryland has implemented reforms that have expanded health coverage to over 310,000 Marylanders and put the State in position to maximize the Affordable Care Act. Last week, the Lt. Governor launched HealthReform.Maryland.gov, a new website designed to provide information about what health care reform means to Maryland residents and small businesses.

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